

ORIGINAL



1 UNITED STATES GRAND JURY

2 SOUTHERN DISTRICT OF NEW YORK

3 - - - - - x

4 UNITED STATES OF AMERICA :
5 -v- : August 2009
6 : Special

7 PHILLIP KENNER :
8 - - - - - x

9
10 UNITED STATES COURTHOUSE
11 500 Pearl Street
12 New York, New York 10007

13 March 29, 2011
14 12:33 a.m.

15 APPEARANCES:

16 ARLO DEVLIN-BROWN, ESQ.

17 Assistant United States Attorney
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20 Rivka Teich, R.P.R., C.S.R.
21 Acting Grand Jury Reporter
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25
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T. Stevenson 03/29/11

(Colloquy Precedes.)

(Witness Enters Room.)

(Time Noted: 12:33 p.m.)

TURNER STEVENSON, called as a witness, having been first duly sworn by the Foreperson of the Grand Jury, was examined and testified as follows:

BY MR. DEVLIN-BROWN:

Q Please state your name and spell it for the record?

A Turner Stevenson, T-U-R-N-E-R, S-T-E-V-E-N-S-O-N.

Q Good afternoon. I'm Arlo Devlin-Brown. I'm an Assistant United States Attorney. You've been subpoenaed to testify to this Grand Jury, which is investigating various offenses involving securities fraud, bank fraud, other fraud offenses. I want to advise you that you're not a target or subject of the Grand Jury's inquiry, just subpoenaed as a witness.

Before we get started I make it a practice to advise you of certain rights that you and all witnesses have before the Grand Jury.

A Okay.

Q First of all, you have the right not to incriminate yourself, meaning if a truthful answer to a

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2 (Colloquy Precedes.)

3 (Witness Enters Room.)

4 (Time Noted: 12:57 p.m.)

5 THE FOREPERSON: I remind you, you are still
6 under oath.

7 BY MR. DEVLIN-BROWN:

8 Q The Hawaii project is called Little Isle IV; is
9 that right?

10 A If that's the name they use, I just call it
11 Hawaii.

12 Q When you put up the \$100,000 for Hawaii, did
13 you have any understanding of whether the money could be
14 used to pay for the Mexico project or was it just
15 supposed to go to the Hawaii project?

16 A In the beginning it was supposed to go to
17 Hawaii. Then I saw they needed, the group of us got
18 together, we have this piece of land that's available
19 for purchase in Mexico that we need too wait on or get
20 funds on to transfer as a group like one big blanket to
21 get money into Cabo and pay for that land to hold it
22 until the loan came.

23 Q So are you saying you agreed to transfer some
24 of the money from the Hawaii project to the Cabo
25 project?

26 A I would say that, yes.

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2 Q Who made that decision?

3 A I think all of us as a group.

After Kenner conference
calls in 2004-06

4 Q What do you mean "as a group", who is the
5 group?

6 A All the guys who were invested in it.

7 Q All the guys who were invested through
8 Mr. Kenner, his clients?

9 A If all of them, yeah, and other guys that were
10 invested in this; Mr. Jowdy I'm not sure.

11 Q Let me show you what's been marked 110A.
12 Before I do, do you remember getting reports or anything
13 from Mr. Kenner about the status of Little Isle IV the
14 Hawaii project?

15 A No.

16 Q Take a look at this and see if you remember
17 ever getting anything like this.

18 (Witness reviewing document.)

19 A I think I remember seeing that.

20 Q How do you remember getting it?

21 A Through a fax maybe. Seeing these actual
22 numbers that looks familiar to me.

23 Q Okay. Is he still your financial adviser?

24 A He is.

25 Q Roughly how much money is he managing for you?

26 A Probably five, 600,000.